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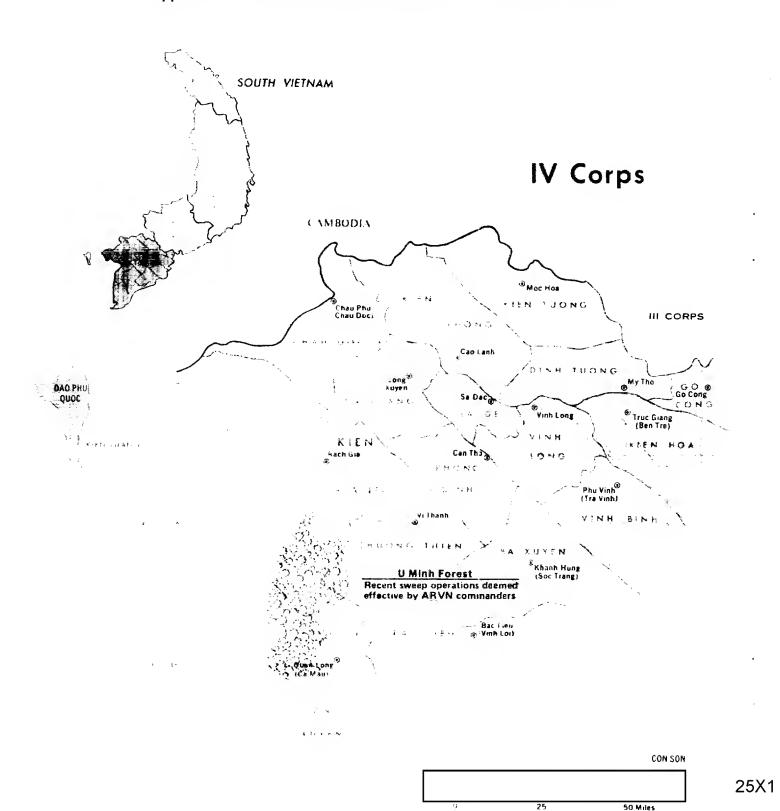
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South Vietnam: South Vietnamese Army commanders in the Mekong Delta are generally confident they can handle the current enemy threat, but remain apprehensive over the possibility of facing sizable enemy reinforcements.

The commanding general of IV Corps recently said that his forces should be able to defeat the Communists in the delta in a year or two. He was uncertain, however, of what might happen if still more enemy troops are sent into the delta. Commanders of most major South Vietnamese field units also feel the situation is well in hand. They say recent sweep operations in the U Minh Forest area have effectively bottled up an enemy regiment. The situation along the Cambodian border is a little more worrisome, however. The local commander says he could not stop a strong enemy attack without substantial reinforcements.

The cautiousness of the South Vietnamese commanders is warranted, as the Communists' winterspring campaign is just getting under way. Enemy forces in several parts of the delta have recently become more aggressive, and some South Vietnamese units have taken heavy casualties in the past two weeks.

It remains to be seen whether South Vietnamese
field grade officers and their men can develop new
esprit in the face of heavier casualties and con-
tinue to counter effectively the enemy threat in
the delta.

Communist China - Malaysia - Singapore: The new clandestine radio supporting Communist insurgents in Malaysia is probably operated by Peking.

On 15 November a radio station calling itself the "Voice of the Malayan Revolution" began broadcasting propaganda supporting Communist insurgents against the governments of Malaysia and Singapore. Programs are being broadcast on strong short-wave signals in both Mandarin and Malay, and are heavily laced with Maoist propaganda. One pro-Communist group in Singapore is reportedly distributing broadcast schedules for the new radio.

The clandestine station is almost certainly located in China. If so, it would be the second that is ostensibly local but actually run by the Chinese; Peking has been operating a similar radio for Thai Communist insurgents since 1964. Radio Peking, of course, provides overt propaganda support for these and other Communist insurgencies in Southeast Asia.

The Chinese have furnished little more than moral support for the Communist effort in Malaysia for many years, and the new propaganda voice would seem to fit this general pattern. The opening of the clandestine station, however, was probably designed to aid the increased efforts of the insurgents to expand out of their base area on the Thai-Malaysian border.

NATO: Differences over the public stance the Alliance should take at a conclusion of this week's ministerial meetings were still unresolved as the semiannual session got under way in Brussels today.

There is a near consensus that the Allies should issue a separate declaration on problems of European security in addition to their usual communiqué. There is still disagreement, however, about the substance and the tone of this declaration.

Many of the Allies are in favor of a more forward public posture on the outlook for improved East-West relations and European security as a result of the Warsaw Pact's renewed offer to participate soon in a general conference on European security. The current meeting of the Warsaw Pact countries in Moscow, which is almost certainly intended to coincide with the NATO ministerial meeting, will put further pressure on the Allies to reach a common position.

At least four major topics included in the draft declaration require further refinement by the ministers this week. These include a call for respect for the political independence and territorial integrity of all European nations, an approach to East-West negotiations, a renewed suggestion to explore balanced force reductions, and a response to the Prague appeal for an early European security conference.

Moscow Summit: The Soviets and their East European allies are meeting today in Moscow and will probably produce a statement challenging NATO to meet their proposals for a European security conference.

The conference coincides with the NATO foreign ministers' meeting, which opens in Brussels tomorrow. The Soviets and their allies will try to focus public attention on their proposed security conference. They will probably seek to rebut anticipated NATO recommendations on the nature and utility of such a meeting

Since the Prague declaration on 31 October, the Soviets have taken some other actions to further the cause of the conference Czechoslovakia was given a prominent role in distributing the Praque documents to various Western countries, a move intended to convey the impression that Czechoslovakia's status has returned to normal and that the invasion is a dead issue Soviet willingness to accept US and Canadian participation in the conference is now public knowledge. Soviet diplomats have claimed that even though East and West Germany must attend the conference as equals, countries which do not recognize East Germany need not fear that their own attendance would constitute such recognition.

The Soviets have consistently drawn a distinction between their "realistic" noncontroversial agenda for a conference, and the substantive subjects that NATO wishes to raise, such as the German problem and the reduction of forces in Central Europe. The Moscow meeting will probably reiterate this distinction and is likely to charge that, in any case, NATO is failing to put these issues into a practical negotiating framework

European Communities: The summit meeting in The Hague has reached a compromise that offers hope for progress on admitting new members but leaves major problems unresolved.

A communiqué issued at the end of the meeting includes an agreement in principle on opening membership negotiations with Britain, Denmark, Norway, and Ireland. It called upon the foreign ministers of the member states to try to achieve a common negotiating position by the end of July 1970. Although no specific date was set, there was general agreement that talks with the applicants could get under way soon afterward.

The members also expressed their wish to agree upon definitive agricultural financing arrangements by the end of this year, and to see the EC Council reduce farm surpluses and cut the costs of the Common Agricultural Policy. In addition, they recommended that national contributions to the farm fund be phased out, and replaced by the Communities' "own resources."

The compromise was achieved after Brandt and Pompidou had stated their countries' positions strongly in Monday's session. Brandt, expressing West Germany's new assertiveness in foreign affairs, delivered a dramatic plea for the enlargement of the Communities. Pompidou, while making it clear that the French veto on British accession had been removed, stressed the conditions that would have to be met before negotiations could begin. It now appears that these conditions -- a definitive settlement on agricultural financing and agreement on a common negotiating position -- will determine how soon negotiations can open. The difficult problems involved in these conditions will not be easily solved, however.

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The effect of the resolution of these problems on the future shape of the Communities is far from clear. Despite urging by EC Commission President Rey, no commitments seem to have been made to strengthen community institutions. Moreover, the arrangements for increased political cooperation suggested by both Pompidou and Brandt could, unless carefully circumscribed, detract from existing institutions.

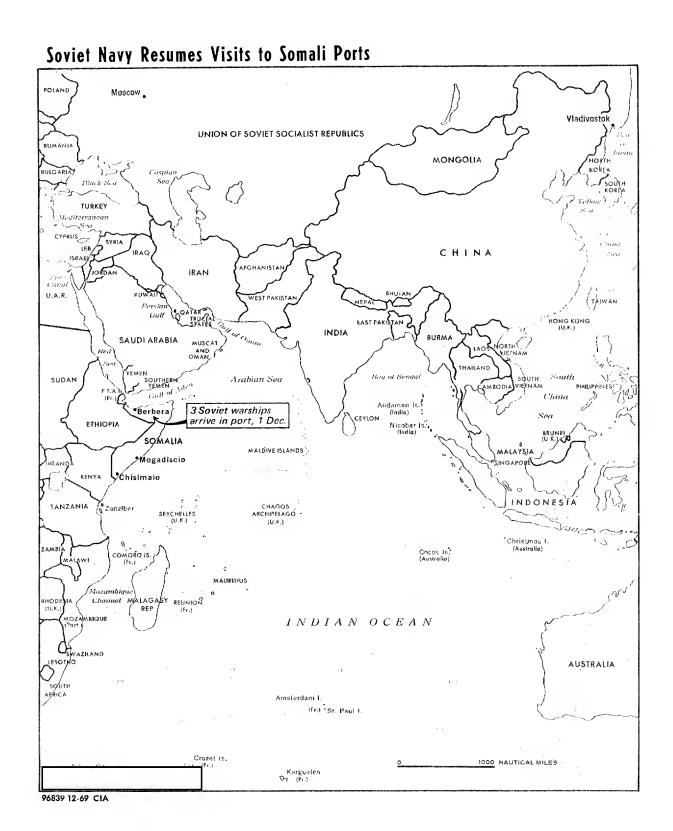
Venezuela: President Caldera is increasingly concerned that the revised US petroleum import program will further reduce his country's share of the US market.

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In a meeting Monday with the US chargé, Caldera charged that Mexico and Canada are receiving more favored treatment than Venezuela. He also stressed this theme at a petroleum workers' congress on 29 November. The President said that his government would be under strong and continued attack by opposition politicians if it failed to obtain a satisfactory petroleum arrangement with the US.

From 1962 to 1968 Venezuela's share of US crude oil imports dropped from 41.1 percent to 26.6 percent, and its share of the refined product also has dropped significantly. Venezuela's oil exports have not fared well in European markets either.

A further reduction in Venezuela's percentage of the US oil market would have serious impact on the country's social and economic programs, which depend heavily on oil revenues for financing. Caldera, who heads a minority government, probably fears that a loss in oil revenues plus a resurgence of military, student, and labor unrest could encourage those who are seeking to oust him from office.



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NOTES

UN - Arms Control: The Soviets have been instructed to press for a vote on their draft resolution on CBW. This commends to the Geneva disarmament talks the Soviet proposed convention banning the production, development, and stockpiling of CBW agents and requiring the destruction of existing stocks. Soviet disarmament expert Roschin described as wholly unacceptable the Canadian proposal that would refer all CBW resolutions to the Geneva disarmament talks for further consideration. He also noted that the Swedish initiative that would have the General Assembly interpret the Geneva Protocol of 1925 as prohibiting the use of tear gas and herbicides in war was in line with the Soviet position on that matter. In about ten days all CBW resolutions extant will come up for voting in the General Assembly.

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USSR-Somalia: Moscow, which has cautiously approved the new regime in Somalia, is following up with a port call by Soviet warships. Three ships-a cruiser and a frigate, both armed with missiles, and an amphibious landing ship-showed the flag in Berbera on 1 December and are also scheduled to visit Mogadiscio and Chisimaio. These units have been operating in the Indian Ocean since mid-September. The Soviets may hope to make more frequent use of Somali port facilities.

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East Germany: Pankow, in line with its ac-
celerated efforts to expand contacts with the de-
veloping countries, is initiating new flights to
Africa. During the past week the East German air-
line began service to Sierra Leone. It also began
flights to Khartoum via Cairo this August.
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